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BEFORE THE ARIZONA CORPORATION COMMISSION

1 2 KRISTIN K. MAYES Chairman Arizona Corporation Commission 3 GARY PIERCE DOCKETED Commissioner 4 PAUL NEWMAN APR 1 4 2010 Commissioner 5 SANDRA D. KENNEDY Commissioner **DOCKETED BY** 6 **BOB STUMP** Commissioner 7 8 IN THE MATTER OF ARIZONA PUBLIC DOCKET NO. E-01345A-09-0357 SERVICE COMPANY APPLICATION FOR 9 AUTHORIZATION TO SELL PATENT RIGHTS AND RELATED INTELLECTUAL DECISION NO. 10 PROPERTY RIGHTS **ORDER** 11

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BY THE COMMISSION:

March 31 and April 1, 2010

Open Meeting

Phoenix, Arizona

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FINDINGS OF FACT

- 1. Arizona Public Service Company ("APS") is engaged in providing electric service within portions of Arizona, pursuant to authority granted by the Arizona Corporation Commission ("Commission"). In 1985, APS began operation of the APS Star Center. The APS Star Center is an innovation center and solar plant where APS works with manufactures, universities and government laboratories to develop and test emerging technologies that are applicable to APS' business.
- 2. On July 14, 2009, APS filed an Application for authorization to sell patent rights and related intellectual property rights. APS has developed two types of tracking systems and has patented the tracking system technologies. APS seeks authorization to sell the patent rights to an unaffiliated third party with a significant domestic and international presence with the ability to market this technological development.

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- 3. APS has executed a purchase agreement for the Patent Rights with Unirac, Inc. ("Unirac"). APS retains for itself a broad license to use the Patent Rights for the benefit of its customers but will not sell or market any products related to solar tracking for three years.
- 5. Staff believes it is not necessary to determine jurisdiction regarding the patent rights and intellectual property rights of APS at this time in order to proceed with affording APS the authorization to sell such rights.
- 6. Staff recommends that the Commission authorize APS to proceed with the sale of the patent rights and related intellectual property rights described in its Application.
- 7. Staff recommends, however that the Commission specify in its Order that the future ratemaking treatment of this transaction should be determined in future rate cases as appropriate.

CONCLUSIONS OF LAW

- 1. Arizona Public Service Company is a public service corporation within the meaning of Article XV, Section 2, of the Arizona Constitution.
 - 2. The Commission has jurisdiction over APS.
- 3. The Commission, having reviewed the Application and Staff's Memorandum dated March 16, 2010, concludes that it is in the public interest to approve APS' request for authorization to sell patent rights and related intellectual property rights as described in the Application.

ORDER

IT IS THEREFORE ORDERED that the Authorization for Arizona Public Service Company to sell patent rights and related intellectual property rights as described in its Application are hereby approved as discussed herein.

at the Authorization

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IT IS FURTHER ORDERED that the future ratemaking treatment of this transaction should be determined in future Arizona Public Service Company rate cases as appropriate. IT IS FURTHER ORDERED that this Order shall become effective immediately. BY THE ORDER OF THE ARIZONA CORPORATION COMMISSION COMMIS COMMISSIONER COMMISSIONER IN WITNESS WHEREOF, I, ERNEST G. JOHNSON Executive Director of the Arizona Corporation Commission, have hereunto, set my hand and caused the official seal of this Commission to be affixed at the Capitol, in the City of Phoenix, this /4th day of April , 2010. EXECUTIVE DIRECTOR DISSENT: _ DISSENT: EGJ:KS:lhm\MAS

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